

**SUMMARY OF THE MEETING OF THE  
ARIZONA STATE RETIREMENT SYSTEM  
INVESTMENT COMMITTEE**

**HELD ON**

**Thursday, October 16, 2008  
4:00 p.m.**

The Investment Committee (IC) of the Arizona State Retirement System (ASRS) met at 3300 N. Central Avenue, 14th Floor Conference Room, Phoenix, Arizona 85012. Mr. Lawrence Trachtenberg, Chair of the IC, called the meeting to order at 4:10 p.m., Arizona Time.

The meeting was teleconferenced to the ASRS Tucson office, 7660 East Broadway Boulevard, Suite 108, Tucson, Arizona 85710.

**1. Call to Order; Roll Call; Opening Remarks**

Present:      Mr. Lawrence Trachtenberg, Chair  
                 Mr. Christopher Harris, Vice-chair  
                 Mr. Thomas Connelly  
                 Mr. James McLaughlin – present via teleconference until 5:16 PM

A quorum was present for the purpose of conducting business.

**2. Approval of the Minutes of the September 30, 2008 IC Meeting**

**Motion:**      Mr. Christopher Harris moved the minutes of the September 30, 2008, IC meeting be adopted as presented. Mr. Thomas Connelly seconded the motion.

By a vote of 4 in favor, 0 opposed, 0 abstentions, and 0 excused, the motion was approved.

**3. Presentation, Discussion, and Appropriate Action Regarding the Financial Market Update and Implications for the ASRS**

Mr. Lawrence Trachtenberg introduced the topic. Mr. Gary R. Dokes, Chief Investment Officer (CIO), introduced Mr. Terry Dennison, Worldwide Partner, Mercer, who gave

Mercer's perspective on current market conditions. Mr. Dokes also gave an update on the current market. Discussion ensued.

Mr. McLaughlin lost his mobile phone service.

#### **4. Presentation, Discussion, and Appropriate Action Regarding the Investment Consultant Services Engagement/Scope of Work Schematic**

Mr. Paul Matson, Director, summarized reasons for engagement of consultants. He facilitated a discussion on the topic. He suggested the ASRS may want to consider hiring one party to do performance measurement, and a pool of consultants to choose from for future asset allocation studies, manager searches, and special projects. Mr. Dokes felt it was a good idea to have a consultant do asset allocation, as opposed to staff, to get an outside perspective.

Mr. Matson suggested a general consultant be made aware of all activities of the Asset Class Committees, as well as attending Board and IC Meetings. The ASRS could retain a pool of consultants.

Mr. Connelly asked if the Asset Allocation Study needed to be renewed. The IC decided that they and staff would proceed with conducting a new Asset Allocation Study.

#### **5. Presentation, Discussion, and Appropriate Action Regarding the ASRS General Investment Consulting Services RFP Evaluation Process**

The IC decided to discuss this at a meeting in the near future.

#### **6. Call to the Public**

No members of the public requested to speak to the IC.

The meeting adjourned at 6:16 PM.

Respectfully submitted,

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Lisa Hanneman, Secretary      Date

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Gary R. Dokes, Chief Investment Officer      Date